

---SENATE BILL 409---

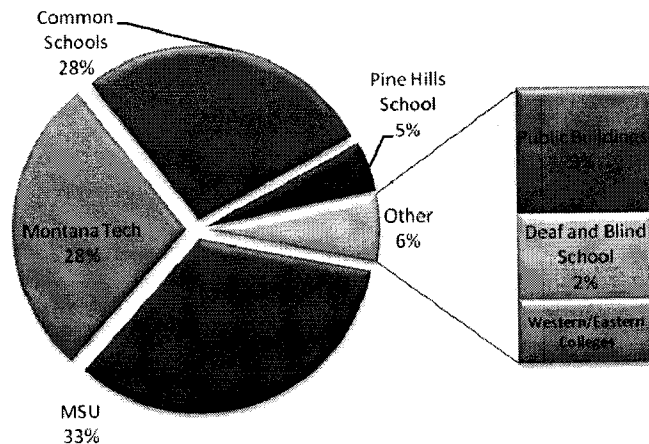
STATE TRUST LANDS CABIN AND HOMESITES

SB 409 Fiscal Impact

Primary Trusts: FY 2012-2015 Impact

- Common Schools (-\$1,817,676)
- Montana Tech (-\$2,064,741)
- MSU (-\$997,527)

**Trust Shares of Residential FY 10
Revenue \$1.68 million**



CURRENT PROCESS

LAND VALUE X 5% = LEASE FEE

LAND VALUES

2003 DOR appraised value factored by 6.53% annually (46%) = 2009 Adjusted Land Value

PREDICTIBILITY

Annual increase of 3.25 – 6.5% through 2024

FULL MARKET VALUE

The lease rate remains at 5% and is in keeping with the MonTrust law suit

LEASE TERM

Maximum 35 years or 5 years beyond mortgage

Example of a lease on McGregor Lake

2003 DOR Appraised Value: \$130,050 x 5% = \$6,502

2009 DOR Appraised Value: \$407,898 x 5% = \$20,394

Adjusted 2009 Land Value: \$190,082 x 5% = \$9,504

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2009 DOR Appraised Value: \$407,898 x 1.5% = \$6,118

Rogers Lake Avg 2008 Lot Value \$186,242

Current Process 2013 Rent Avg \$8,832

1.5% Avg Min Bid \$2,794

Flathead Lake Avg 2008 Lot Value \$442,416

Current Process 2013 Rent Avg \$14,417

1.5% Avg Min Bid \$6,636

Blackfoot River Avg 2008 Lot Value \$94,468

Current Process 2013 Rent Avg \$3,714

1.5% Avg Min Bid \$1,417

Placid Lake Avg 2008 Lot Value \$164,095

Current Process- 2013 Rent Avg \$8,299

1.5% Avg Min Bid \$2,461

Leasehold:

- The value of a lease based on its location or desirability, measured by a willingness to pay a premium to acquire a particular lease site, indicated by the transfer of a lease to another when the transaction amount is known.

Market:

- If the value received by a lessee at the time of transfer is the same as the value of the lessee owned improvements, then the lease fee is market.

Leasehold Value:

- If the value the lessee received at the time of transfer is greater than the value of the lessee owned improvement, then the lease fee is too low.

Assignment Data:

Average Annual Transfers (2004-2010): 62 (440 from 2004 – 2010)

Average Annual Non-Family Transfers (2004-2010): 37 (59%)

Average leasehold value 3Q & 4Q 2010 (selling price vs assessed value): 120.17%

Example of Blackfoot River Listed at \$279,000 Improvement value \$137,890

Leasehold value to lessee \$141,110

Blackfoot River Avg 2008 Lot Value \$94,468

Blackfoot River fishing cabin located on the historical Lewis & Clark Trail. This craftsman log and frame cabin features Missouri Oak logs, log flooring and pine accents. Antique furnishings are mostly included. Fantastic fishing on this property leased from the State of Montana. Seller may carry with \$50,000 down/6.5%/30 years/all due in 10 years.

Located in: Seeley Swan

Price: \$279,000 **MLS:** 1-901379M



Example of Placid Lake Listed at \$269,000 Improvement value \$151,876

Leasehold value to lessee \$117,124

Placid Lake Avg 2008 Lot Value \$164,095

Listing #: 10004056		List Price: \$269,000	
	MLS #:	10004056	Class: RESIDENTIAL
	Type:	RES/ACREAGE	Area: 77A-SEELEY LAKE(SUMMIT-S)
	Price:	\$269,000	Asking Price: \$269,000
	Address:	180 Point Way	City: Seeley Lake
	State:	MT	Zip: 59868
	BDRMS:	TWO	F/BATH: TWO
	BASEMENT:	NO	GARAGES: NONE
	LOT/ACRE:	1.0-2.99 ACR	SQFT FINISHED: 1000-1499
	APX AGE:	51+ YEARS	Agent OWN: NO
	Agent:	SCOTT KENNEDY	Listing Office 1: CLEARWATER MONTANA PROPERTIES INC
	POSS:	Closing	SUID #: 2223400
	TAX/SID:	1184.93/2009	ZONING:
	SCHOOLS:		LOT SIZE: 1.505
	SQFT UPPER:	120	UTILBILL: Low/High/Avg:
	FLOOD PL:		#SMK DET:
	APX YRBL:	1937	
	Remarks:	Exceptional location on Placid Lake. Beautiful 1-1/2 story log home/cabin. Stone fireplace, extensively remodeled. Deck, porch, great for entertaining. Incredible views of mountains and Placid Lake. Here is your chance to be on PLACID. State Lease	